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C O N F I D E N T I A L SECTION 01 OF 03 TBILISI 001158

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SUBJECT: GEORGIAN THOUGHTS ON ARMENIAN/TURKISH RAPPROCHEMENT

REF: TBILISI 1094

Classified By: Ambassador John F. Tefft for Reasons 1.4 (b) and (d).

11. (C) Summary and Comment: Representatives of the Georgian government, parliament, and academia have a wide range of opinions about recent improvements in the bilateral relationship between Armenia and Turkey. Even within the Georgian government, an incomplete and contradictory picture arises, with some in favor of improved relations, some concerned and some seeing a sinister Russian angle to it. The MFA was positive about the prospects for Georgia and the region with an increasing detente between the Armenians and Turks; officials from the NSC provided contradictory opinions on the matter; and academics speculated about the potential for Russian exploitation of the situation and losses of revenue for Georgian businesses. The Prime Minister said that he welcomes any efforts that will help resolve conflicts in the Caucasus, but expressed concern that doing so without a role for Azerbaijan could hurt more then help. He added that he does not think the Georgian economy will be significantly impacted if borders are reopened between Turkey and Armenia. The majority of interlocutors in Tbilisi appear to be taking a wait-and-see approach to the issue, expressing concerns about Russian influence and possible economic loss but eager to see more stability in the region. End Summary and Comment.

A Positive View From MFA

- 12. (C) Deputy Director of MFA's Political Department Temur Kekelidze said improving relations between Turkey and Armenia, including the possibility of an open border crossing, were viewed "quite positively" by the MFA. The Ministry seems to believe that better relations with Turkey could allow Armenia to move itself away from Russian dependence, and reduce the "dominance" of the Kremlin on politics in Yerevan. Given Turkey's membership in NATO, this improvement in the bilateral relationship could result in future Armenian policies that move it towards the west and an improved relationship with Tbilisi. Commenting on the impact to the Caucasus as a whole, Kekelidze said that the move could help Armenia and Azerbaijan discuss the thorny issue of Nagorno-Karabakh, and would also positively impact relations between all three countries in the Caucasus.
- 13. (C) Deputy Director of MFA's European Department Kakha Chitaia provided a lengthy but interesting viewpoint on the situation. While stressing that he was "Armenia's best friend" in the Georgian MFA, he emphasized his belief that there was little if any chance of Russian influence increasing due to a new border crossing between Armenia and Turkey. He went as far as to say that it was more likely Russia would be a net loser, as Turkey would increase its influence at the expense of Russian influence in the Caucasus. His primary concern focused firmly on Azerbaijan, as he believes Azerbaijan will try to derail efforts to reach

agreement. Ultimately the Turks need Azerbaijan more than Armenia; this would ensure that Turkish policy would seriously consider Azeri opinions on the matter. Chitaia felt the impact on Georgia would be minimal, primarily due to his conviction that nothing would change the situation in the near term, and that Turkey is pushing the issue because of its EU aspirations and hopes for improving its international image.

NSC Not Quite Sure Yet QNSC Not Quite Sure Yet

¶4. (C) Deputy Secretary for Georgia's National Security Council Irakli Porchkhidze took a less favorable tone towards detente, highlighting his concern that Russia could use this opening as a way to increase its influence in Armenia and further push Yerevan from Georgia. He noted that Georgia's role as a transit hub would be reduced. NSC Director of the Analytical Department Lasha Darsalia struck a more even-handed tone, noting first that improved relations between Yerevan and Ankara would undoubtedly increase stability in the south Caucasus, which would be good for all involved. Second, Darsalia contradicted Porchkhidze and stressed a healthy and constructive economic relationship would reduce the need in Armenia for Russian support, and continue to move the countries in the Caucasus away from their reliance on Russia.

 MPs See Negative Financial Impact With Positive Political Results

 $\P5.$ (C) MP Giorgi Kandelaki of the ruling United National Party Movement, who is also Deputy Chairman of the Foreign

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Relations Committee, stated that his first response to the new discussions on opening a border crossing was that Turkey perhaps had become "strategically confused"; however, he also noted that reduced tensions would be good for the region and assist in future economic growth. On a more strategic level, he expressed concern that Turkey, desiring better relations with the Kremlin, was using this as a means to that end. Given that Turkey remains Georgia's largest trading partner, this was a bigger concern to Kandelaki than any possible losses by Georgian businesses due to lost transit revenue.

The View From Academia Mixed

- 16. (C) Head of the International Programs Department of the Georgian Institute of Public Affairs and former NSC official Tornike Sharashenidze noted that the Georgian business community and senior government officials were probably unworried because past experience had made them skeptical of the likelihood of tangible improvements actually occurring between Turkey and Armenia. Additionally, it could take years for anything to come out of the current rapprochement that truly impacted the Georgian bottom line. He skeptically stated that no one in government thought long term about these types of regional issues unless they had a distinct Russian angle; aside from the analytical wing of the MOIA, few in the Georgian government conducted long term analytical assessments of regional events and how they could impact Georgian policy.
- 17. (C) Nika Chitadze, professor at Tbilisi State University and President of the Georgia International and Security Research Center, raised a possibility not discussed by any other interlocutors. He thought improvement in relations between Armenia, Turkey, and ultimately Russia, could provide additional opportunities for the Russians to exploit disgruntlement in the minority Armenian community in Samtskhe-Javakheti and cause instability in Georgia. (Note: While facts behind this assessment were hard to provide, this speculation reflects the common Georgian fear even paranoia about Russian omnipresence in Georgia politics, and the immediate assumption that unexpected turns in Caucasus

politics must have a Russia focus. End note.)

PM Sees Improved Relations as an Opportunity for Georgia

- 18. (C) During the 10-11 June visit of EUR Assistant Secretary Philip Gordon, Prime Minister Nika Gilauri stressed that anything that decreases tension in the region is positive (reftel). However, he noted that improved relations between Turkey and Armenia should parallel efforts to resolve the Nagorno-Karabakh question. In particular, he noted that the Caucasus countries were small and depended on strategic relationships with larger countries. For Georgia this is the U.S., for Armenia it is Russia, and for Azerbaijan it has been Turkey. Gilauri said that the loss of Azerbaijan's strategic partner could cause them to look north to Russia for support. Gilauri added that he does not fear negative impacts to the Georgian economy from the opening of borders between Turkey and Armenia, in fact hoping that possible increase in traffic could do just the opposite.
- $\underline{\mbox{1}} 9.$ (C) Comment: The contradictory and at times, uncertain responses from individuals in Tbilisi to the signs of rapprochement between Armenia and Turkey probably is derived from an inherent unease about any change in the regional Ofrom an inherent unease about any change in the regional power balance, as well as a skepticism that true progress might be made. Some immediately see Georgian political loss and Russian gain, as the Turks strive for better relations with the country in the south Caucasus most reliant on the northern neighbor. Others, particularly in government, view the increased stability associated with improved relations and enhanced opportunities to move forward on Nagorno-Karabakh as something that must be a positive for Georgia. Regardless, the majority of observers in Tbilisi are taking a wait-and-see approach to the issue, with an inherent skepticism difficult to push to the side as it pertains to improved relations and less Russian influence in the region. Certainly in the short term, should a serious rapprochement occur and a functioning border crossing come to fruition, Georgian commerce could be a net loser, at least for a while. However, in the longer term, the Georgian economy could benefit from increased trade in the region. Georgia remains the main bridge for trade between Armenia, Turkey and Azerbaijan but a new border crossing would reduce the need for Georgian transshipment of goods. However, in the longer term, an increasingly stable situation in the south Caucasus, with improving relations between Turkey, Armenia, and Azerbaijan, can only benefit the regional economic situation and further enhance political stability in

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the area. End comment. TEFFT